PROVINCE OF SASKATCHEWAN

09-10

ANNUAL REPORT

MINISTRY OF JUSTICE AND ATTORNEY GENERAL

Saskatchewan Financial Services Commission

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This annual report is also available in electronic format from the Ministry's website at **www.justice.gov.sk.ca.**

This annual report is also available in electronic format from the Saskatchewan Financial Service Commission's website at **www.sfsc.gov.sk.ca.**

Letters of Transmittal

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor, Province of Saskatchewan

May it Please Your Honour:

As the Minister reponsible for the Saskatchewan Financial Services Commission, I respectfully submit the Annual Report for the period ending March 31, 2010.

D R morgan

Don Morgan, Q.C.
Minister of Justice and Attorney General

The Honourable Don Morgan, Q.C.
Minister of Justice and Attorney General

Dear Sir:

I have the honour of submitting for your consideration the Annual Report of the Saskatchewan Financial Services Commission for the period ending March 31, 2010.

Dave Wild
Chairperson

Commissioners

Dave Wild

Chairperson

Mr. Wild was appointed the first Chair of the Financial Services Commission with its creation in 2003. Dave had been appointed Chair of the Saskatchewan Securities Commission in 2001. The duties of the Securities Commission have been assigned to the Financial Services Commission. He also currently serves as the Superintendent of Pensions. Having been first appointed in 1992, Dave is the longest serving pension regulator in Canada. He currently is Chair of the Joint Forum of Financial Market Regulators and is the past Chair of the Canadian Association of Pension Supervisory Authorities.

Paul Robinson

Vice-Chairperson

Mr. Robinson is currently a consultant and Adjunct Professor of Finance at the University of Regina. His career includes several senior positions in provincial and municipal governments. Mr. Robinson also worked as a financial planner with a national investment firm. He has an MBA from McMaster University, is a Certified Management Accountant (CMA), a Certified Financial Planner (CFP) and a Chartered Financial Analyst (CFA).

Peter Carton

Commissioner

Mr. Carton recently retired from a career spanning thirty years with the Royal Bank of Canada. He has background in all areas of retail banking. Most recently, he was the Regional Vice President for Commercial Banking covering Saskatchewan, Manitoba and NW Ontario. Mr. Carton holds an MBA from Dalhousie University.

Gordon Hamilton

Commissioner

Mr. Hamilton is a lawyer in private practice with the Saskatchewan firm, McDougall Gauley LLP. He has extensive experience in labour relations and administrative law, having served as Vice Chairperson of the Canada Industrial Relations Board. Mr. Hamilton also has a background in co-operatives and Saskatchewan credit unions. He held senior positions at Affinity Credit Union, the Saskatchewan Wheat Pool (now Viterra), and Federated Co-operatives Limited.

Mary Ann McFadyen

Commissioner

Ms. McFadyen was associated with the Saskatchewan Chamber of Commerce for over 30 years. She was the executive Director and CEO of the Chamber for more than two decades. In recognition of her contribution to Canadian business she received the Canada 125 Award and was named one of the 10 most influential women in Saskatchewan by Saskatchewan Business Magazine.

Brian Molberg

Commissioner

Mr. Molberg currently is Vice-President of Corporate Services of LutherCare Communities, a leading provider of health services, seniors housing and community services in Saskatchewan. Mr. Molberg also was President of Nalco Leasing Inc., a Saskatchewan-based agricultural and office equipment leasing company. He is a Fellow Chartered Accountant.

Frank Reidy

Commissioner

Mr. Reidy was appointed to the Financial Services Commission on February 1, 2003. He has served the insurance industry for 45 years and was made an Honorary Life Member of the Insurance Brokers' Association of Saskatchewan in 2002. He is the past Chair of the Hail Insurance Council and past Director of the Insurance Brokers' Association of Saskatchewan. Mr. Reidy is the founding and current Chairman of the Board of Directors of Western Agriculture Insurance Corporation. Mr. Reidy served as the Vice President of the Saskatchewan School Trustees Association. As well, he served as a Director of Canada Post Corporation. Mr. Reidy currently serves as a Director of the Providence Place Foundation. He is also a former Director of Wakamow Valley Authority.

What We Do

The Saskatchewan Financial Services Commission (SFSC) regulates Saskatchewan's financial services industry, including the credit union system, insurance, pensions, securities, trust and loans, loan brokers, mortgage brokers and payday loans. Regulatory responsibilities include:

- providing input into developing provincial legislation, regulations, policies and standards (the rules);
- interpreting and applying the rules; and
- taking appropriate action to protect the rights and interests of consumers of financial services when the rules are broken.

Similar to those of other financial services regulators, the ongoing operations of the SFSC encompass a broad range of regulatory functions with respect to licensing and registration, audit and compliance, market conduct and complaint handling, and enforcement.

Licensing and Registration

Financial institutions, pension plans and financial intermediaries require approval to conduct business. The SFSC requires applicants to provide enough information to assess whether the applicant is suitable to conduct business in the chosen field.

Audit and Compliance

On an ongoing basis, the SFSC monitors those regulated to verify that they are capable of meeting their obligations to consumers and are conducting themselves in compliance with the rules.

Market Conduct and Complaint Handling

The SFSC enforces rules that promote fair conduct by market participants and full, plain and true disclosure of products and services to consumers. The SFSC ensures that there are effective processes in place to receive and investigate complaints from consumers. Complaints are reviewed and appropriate information is collected to determine whether there are violations of rules.

Enforcement

The SFSC exercises its influence and its legislative powers to hold to account those who have violated the rules. Enforcement may be initiated based on information from complainants, information obtained from audit and compliance activities, or from other sources.

The SFSC's regulatory functions include both prudential and market conduct regulation. Prudential regulation addresses the financial soundness of those regulated. Market conduct regulation refers to supervising compliance related to consumer protection provisions including disclosure, confidentiality, fair practices and prohibited methods of doing business.

In fulfilling its mandate, the SFSC relies upon the following self-regulatory organizations (SROs):

- Credit Union Deposit Guarantee Corporation
- General Insurance Council of Saskatchewan
- Hail Insurance Council of Saskatchewan
- Life Insurance Council of Saskatchewan
- Investment Dealers Association of Canada
- Mutual Fund Dealers Association of Canada

A number of federal and provincial initiatives are focused on coordinating and harmonizing financial services regulation. The SFSC works with regulators from other jurisdictions through the Joint Forum of Financial Market Regulators (Joint Forum), the Canadian Association of Pension Supervisory Authorities (CAPSA), the Canadian Council of Insurance Regulators (CCIR), and the Canadian Securities Administrators (CSA).

Who We Are

The SFSC is led by a seven-person commission established under *The Saskatchewan Financial Services Commission Act.* Section 9 of the Act provides the Commission with a mandate to:

- coordinate financial services regulators;
- provide for the development of policies to protect the interests of consumers of financial services;
- provide for the development of policies to regulate financial services and any persons who, or associations or groups of persons that, provide financial services; and
- perform any responsibilities of a financial services regulator pursuant to any financial services legislation that are assigned to the commission by the Regulations under the Act.

Pursuant to this last point, the responsibilities of the Saskatchewan Securities Commission have been assigned to the SFSC.

Vision

SFSC's vision is to cultivate an environment in which everyone in Saskatchewan has confidence in and can enjoy the benefits from a vibrant financial marketplace.

Mission

The SFSC strengthens Saskatchewan's financial marketplace and protects consumers by regulating providers of financial products and services in an effective, efficient and balanced manner.

Regulatory Principles

The SFSC is committed to these principles:

Competency

Other regulators and stakeholders rely on the SFSC because it has staff with the skills, knowledge and attitude required to deliver its commitments.

Consultation

The SFSC consults those who may be affected by a proposed regulatory change.

Transparency

The SFSC seeks to develop understandable rules that are complete and easy to access, and, when appropriate, to provide explanations and communicate its decisions.

Proportionate Regulation

When developing and applying rules, the SFSC considers the cost of compliance and the intended results. Regulatory actions are proportionate to the risk posed and contribute to sound business practices within the financial services sector.

Flexibility and Discretion

Recognizing that there are many possible regulatory solutions, the SFSC exercises its discretion to achieve the most practical and affordable solutions that achieve the intended objective without compromising consumer protection.

Co-operation

The SFSC works with regulators in other jurisdictions and self-regulatory organizations to achieve regulatory efficiency and effectiveness.

Harmonization

The SFSC seeks to harmonize rules and systems across sectors and jurisdictions to the greatest extent possible. The SFSC will make exceptions when justified by the unique situation in Saskatchewan.

Accountability

The SFSC holds those being regulated responsible and accountable for complying with the rules. The SFSC is accountable to the Government and to the public for applying the spirit and substance of the regulatory regime.

Accessibility

The SFSC is approachable by consumers and those it regulates.

The SFSC is committed to fulfilling its regulatory responsibilities. However, the SFSC recognizes that not every problem requires a regulatory solution. Therefore, the SFSC is also committed to providing strategic solutions. The SFSC considers a wide range of alternative actions such as supplying expertise and advice, acting as a mediator and providing forums for industry dialogue.

Values

The actions of the SFSC's personnel are guided by the following commitments:

Openness

We share information and listen openly. We encourage understanding of and involvement in decision making.

Respect

We treat everyone fairly and with dignity, respect and compassion.

Professionalism

We exhibit a positive, courteous, conscientious, and businesslike manner in the workplace. We take personal responsibility for achieving the goals of the SFSC.

Fairness

We are impartial and unbiased in our decision making.

Decisiveness

We make clear, timely and responsible decisions.

Creativity

We encourage innovation and continuous improvement of our business processes and service provision.

Initiative

We empower our staff and encourage them to question the status quo.

Service

We provide quality and timely service by listening to, understanding and addressing the needs of our customers, clients and employees. We provide our people with the training and tools they need to do their jobs.

Work/life balance

We recognize and accommodate our employees' needs to balance their responsibilities and interests outside of work with meeting the increasing demands of the workplace.

Collaboration

We work together internally and with those we regulate to deliver the best possible solution.

Strategic Goals

SFSC's four strategic goals are briefly described as follows:

A fair and effective financial regulatory system for Saskatchewan

The SFSC ensures that appropriate rules are in place to regulate the financial services sector. The SFSC is giving attention to requirements for new categories of entrants, to new products and to the changing conditions in existing market segments. By increasing harmonization with other Canadian jurisdictions, updating Saskatchewan's legislation and related rules, and working effectively with the self-regulatory organizations (SROs), the SFSC will maintain and enhance the quality of its regulation.

Confidence in the SFSC and the Saskatchewan financial marketplace

The financial services industry depends on public and industry confidence. The SFSC recognizes that while most financial services providers follow the rules, the actions of those few who breach the rules can have a significant negative impact on confidence levels. The SFSC is increasing its emphasis on timely compliance and enforcement actions to deter wrong-doing, detect incidences of wrong-doing and reduce the harmful impact on consumers. At the same time, the SFSC will take steps to increase availability of tools and information that will help consumers protect themselves and make better decisions about their financial transactions.

Regulatory consistency between sectors and for like products and services

The SFSC is building increased cross-sectoral understanding and co-operation through participation in national initiatives and through the SFSC's integrated organizational structure and governance. The SFSC will work with the SROs to look for opportunities for enhanced consistency.

Effective results with limited resources

As a Government agency, the SFSC is accountable to the public for the resources it uses. The SFSC is committed to continuous improvement of its operational efficiency.

Progress in 2009-10

In this section we outline and track our core activities and the progress of the Financial Institutions Division, Pensions Division and Securities Division toward achieving strategic action items.

Financial Institutions Division

The Financial Institutions Division (FID) regulates and supervises Saskatchewan trust, loan and finance companies, insurance companies, loan and mortgage brokers and the credit union system. The FID protects the public interest and enhances public confidence by encouraging sound and ethical business practices for insurers and financial institutions duly authorized to operate in Saskatchewan. The FID also oversees regulatory agencies that have been delegated authority.

2009-10 Key Commitments

- Respond to consumer inquiries and complaints.
- Protect consumers by licensing, auditing and examining regulated financial services businesses.
- Oversee, monitor and support the operation of existing industry regulatory bodies.
- Continue to participate with businesses, other provincial and federal regulators and self-regulatory organizations in legislative harmonization initiatives.
- Continue to consult on mortgage broker regulations for Government's consideration.
- Implement *The Mortgage Brokerages* and *The Mortgage Administrators Act.*
- Continue to participate in the CCIR and the Joint Forum, particularly with respect to:
  - relationships between insurers and sales intermediaries;
  - intermediary licensing;
  - risk-based market conduct; and
  - developing a new approach to point-of-sale disclosure documents for mutual funds and individual variable insurance contracts.
- Continue to monitor the progress of litigation in Canada and the activities of provincial ministerial initiatives regarding the alternative consumer credit market.
- Continue to participate in the development of payday loan regulations.
- Implement *The Payday Loans Act.*
- Continue holding ongoing meetings with the hail insurance industry regarding claims adjustment, complaint handling processes, and appointment of appraisers and umpires.
- Review the Order of the Superintendent of Insurance, which delegates certain functions to the General, Life and Hail Insurance Councils.
- Continue to participate in the implementation of a national complaint reporting system for insurance.
- Continue to participate in national review of incidentally-sold insurance and consideration of its appropriate regulation in Saskatchewan.
- Continue to participate in a review of *The Credit Union Act, 1998.*
- Identify changes necessary for requiring Saskatchewan deposit-taking institutions to meet Basel II international capital standards.
- Continue to monitor provincial entities' transition and implementation processes for adoption of International Financial Reporting Standards.
- Continue to participate in discussions with respect to the formation of a Prairie Central for credit unions in Saskatchewan, Alberta and Manitoba.
- Continue to participate in discussions with OSFI and provincial insurance regulators regarding the implications of changes to Part XIII of the *Insurance Companies Act* (Canada).

2009-10 Results

- Responded to consumer inquiries and complaints.
- Protected consumers by licensing, auditing and examining regulated financial services businesses.
- Oversaw, monitored and supported the operation of existing industry regulatory bodies.

- Reviewed and approved bylaws from the Saskatchewan Insurance Councils and the Saskatchewan Real Estate Commission.
- Continued to participate with businesses, other provincial and federal regulators and SROs in legislative harmonization initiatives.
- Continued in the development of mortgage broker regulations for Government's consideration.
- Continued to participate in the CCIR and the Joint Forum, particularly with respect to:
  - relationships between insurers and sales intermediaries;
  - intermediary licensing;
  - risk-based market conduct; and
  - developing a new approach to point-of-sale disclosure documents for mutual funds and individual variable insurance contracts.
- Continued to monitor the progress of litigation in Canada and the activities of provincial ministerial initiatives regarding the alternative consumer credit market.
- Continued to participate in the development of payday loan regulations.
- The implementation of *The Payday Loans Act* has been deferred until regulations are finalized.
- Continued holding ongoing meetings with the hail insurance industry regarding claims adjustment, complaint handling processes and appointment of appraisers and umpires.
- Continued to participate in the development and implementation of a national complaint reporting system for insurance.
- Participated in national review of incidentally-sold insurance and consideration of its appropriate regulation in Saskatchewan.
- Participated in a review of *The Credit Union Act, 1998.*
- Consulted with the insurance and financial institution industries on the regulation of incidentally-sold insurance in Saskatchewan.
- Participated in developing recommendations for amendments to *The Credit Union Act, 1998.*
- Monitored provincial entities' transition and implementation processes for adoption of International Financial Reporting Standards.
- Participated in discussions with respect to the formation of a Prairie Central with credit union regulators for Alberta, Manitoba and OSFI and credit union centrals for Saskatchewan, Alberta and Manitoba.
- Participated in discussions with OSFI, provincial insurance regulators and the insurance industry regarding the implications of changes to Part XIII of the *Insurance Companies Act* (Canada).
- Participated in interprovincial discussions regarding the inclusion of financial services occupations in the *Agreement on Internal Trade.*
- Participated in interprovincial discussions regarding the Western Economic Partnership.

2010-11 Plans

- Respond to consumer inquiries and complaints.
- Protect consumers by licensing, auditing and examining regulated financial services businesses.
- Oversee, monitor and support the operation of existing industry regulatory bodies.
- Continue to participate with businesses, other provincial and federal regulators and self-regulatory organizations in legislative harmonization initiatives.
- Finalize the mortgage broker regulations.
- Implement *The Mortgage Brokerages and Mortgage Administrators Act.* (The initiative to implement this Act has been deferred from 2008-09 to this year.)
- Continue to participate in the CCIIR and the Joint Forum, particularly with respect to:
  - relationships between insurers and sales intermediaries;
  - intermediary licensing; and
  - implementing point-of-sale disclosure documents for mutual funds and individual variable insurance contracts.

- Continue holding ongoing meetings with the hail insurance industry regarding claims adjustment, complaint handling processes and the appointment of appraisers and umpires.
- Review the Order of the Superintendent of Insurance, which delegates certain functions to the General, Life and Hail Insurance Councils. (The initiative to review the Superintendent's Order has been deferred from 2008-09 and 2009-10 to 2010-11.)
- Continue to participate in the implementation of a national complaint reporting system for insurance.
- Implement the regulation of incidentally-sold insurance.
- Finalize the payday loan regulations.
- Implement *The Payday Loans Act*.
- Continue to monitor provincial entities' transition and implementation processes for adoption of International Financial Reporting Standards.
- Continue to participate in discussions with respect to the formation of a Prairie Central for credit unions in Saskatchewan, Alberta and Manitoba.
- Identify changes necessary for requiring Saskatchewan deposit-taking institutions to meet Basel II international capital standards. (The initiative to identify the necessary changes has been deferred from 2008-09 and 2009-10 to 2010-11.)
- Conclude discussions with OSFI and provincial insurance regulators regarding the implications of changes to Part XIII of the Insurance Companies Act (Canada) and impose licence conditions on insurance companies to require vesting of assets in Canada.
- Continue to participate in interprovincial discussions regarding including financial services occupations in the *Agreement on Internal Trade*.
- Participate in interprovincial discussions regarding the implementation of the New West Partnership with respect to financial services.

Statistics

Item	2009-10	2008-09	2007-08	2006-07
Licences in force:				
• *The Saskatchewan Insurance Act* (companies)	253	259	264	263
• *The Trust and Loan Corporations Act, 1997*				
- Financing Companies	87	85	91	80
- Trust Companies	43	42	44	42
- Loan companies	8	8	8	8
- Loan Brokers	6	6	6	4
• *The Mortgage Brokers Act (brokers)*	270	224	170	128
Credit Unions (as at December 31)	65	66	75	87
Primary Regulator (# companies)	384	337	289	234
Responded to Inquiries	2,079	2,365	2,147	2,640
Opened files with respect to complaints and inquiries	284	302	211	201
Audits, inspections or reviews	21	24	24	23

Pensions Division

The legislation administered by the Pensions Division protects employees' pensions. Standards are established with respect to the structure and administration of pension plans, as well as, to the investment and ongoing funding of plans.

The Pension Benefits Act, 1992 regulates employer-sponsored pension plans with Saskatchewan workers as members. The Act does not apply to certain plans established for employees of the governments of Saskatchewan and Canada, nor does it apply to plans associated with undertakings regulated by the federal government (e.g., plans for employees of companies involved in banking, transportation, broadcasting, grain handling).

The Pensions Division identifies and manages risks and problems to bolster public confidence in the pension system, while allowing the market to develop to meet the retirement needs of Saskatchewan workers and employers.

2009-10 Key Commitments

- Protect pension plan members from undue loss by ensuring that plans are funded in accordance with legislation, plan benefits comply with the legislated minimum standards, and plans are administered in compliance with the legislation and plan documents.
- Review 50 to 60 actuarial valuation reports for non-designated pension plans, 450 annual information returns, 30 new plans, 20 plan terminations and 100 to 150 plan amendments.
- Implement changes to the risk-based supervisory program as a result of the Provincial Auditor's recommendations.
- Conduct five on-site Administrative Pension Examinations.
- Review the information technology application supporting the activities of the Pensions Division.
- Develop amendments to *The Pension Benefits Regulations, 1993* to reflect temporary changes to solvency funding requirements for defined benefit pension plans.
- Develop amendments to *The Pension Benefits Act, 1992* to recognize the new agreement for multi-jurisdictional pension plans.
- Begin a review of the funding rules under the *The Pension Benefits Act, 1992*.
- Participate in CAPSA and Joint Forum projects related to the prudent investment and funding of pension plans, the regulation of defined contribution plans, reviewing the role and mandate of CAPSA, and reviewing fund holder arrangements.
- Participate in the National Pension Compliance Officers Association.

2009-10 Results

- Reviewed 12 actuarial valuation reports filed for non-designated pension plans[1]. An actuarial valuation measures the financial position of a defined benefit plan and recommends prospective contribution rates.
- Defined benefit plan assets of $11.9 billion exceeded their liabilities of $11.6 billion, meaning the system as a whole had a surplus of about $300 million.
- Of 239 defined benefit plans, 166 had an unfunded liability.
- Total unfunded liabilities of plans have increased from $381 million to $402 million, while total surplus assets of plans have increased from $577 million to $669 million.
- Twelve plans accounted for 94 per cent of the $402 million in unfunded liabilities. The Division monitored those plans closely.
- Reviewed 477 annual information returns, 28 new plans, 24 plan terminations and 160 plan amendments.
- Implemented changes to the risk-based supervisory program as a result of the Provincial Auditor's recommendations.
- Conducted two on-site Administrative Pension Examinations.

1 Designated pension plans are established for connected persons or senior executives pursuant to section 8515 of the *Income Tax Regulations* (Canada).

- Developed amendments to *The Pension Benefits Regulations, 1993* to reflect temporary changes to solvency funding requirements for defined benefit pension plans. Also developed a policy bulletin on the temporary funding relief.
- Began a review of the funding rules under *The Pension Benefits Act, 1992.*
- Participated in CAPSA and Joint Forum projects related to the prudent investment and funding of pension plans, the regulation of defined contribution plans, reviewing the role and mandate of CAPSA, and reviewing fund holder arrangements.
- Participated in the National Compliance Officers Association.

2010-11 Plans

- Protect pension plan members from undue loss by ensuring that plans are funded in accordance with legislation, plan benefits comply with the legislated minimum standards, and plans are administered in compliance with the legislation and plan documents.
- Review 25 to 30 actuarial valuation reports for non-designated pension plans, 480 annual information returns, 30 new plans, 25 plan terminations and 100 to 150 plan amendments.
- Conduct four on-site Administrative Pension Examinations
- Develop amendments to *The Pension Benefits Act, 1992* to recognize the new agreement for multi-jurisdictional pension plans.
- Continue with the review of the funding rules under *The Pension Benefits Act, 1992.* Produce a consultation paper to receive feedback on proposed amendments.
- Review the information technology application supporting the activities of the Pensions Division.
- Conduct a review of the fees charged to plans at the time of registration of a new plan, and at the time of filing an Annual Information Return. Make recommendations for amendments to the fees.
- Begin a review of the registration requirements for designated plans, and make recommendations regarding exemptions from the registration requirements.
- Participate in CAPSA projects related to the prudent investment and funding of pension plans and the regulation of defined contribution plans.
- Participate in the National Pension Compliance Officers Association.

Statistics

Activity	2009-10	2008-09	2007-08	2006-07
Number of plans supervised	484	481	471	426
New plans registered	28	27	55	41
Plan terminations reviewed	24	17	13	14
Annual information returns reviewed	477	479	410	402
Plan amendments registered	160	118	143	354
Actuarial valuations reviewed	12	34	40	66

Securities Division

The Securities Division protects investors by regulating the sale of securities, without undue restriction, to ensure that:

- Those who sell securities to investors are honest and competent;
- Investors are provided with selling documents that contain truthful, complete and understandable information on which to base their investment decisions;
- Buyers and sellers have equal access to information about companies whose shares trade in secondary markets; and
- Those who take undue advantage of investors are held to account.

2009-10 Key Commitments

- Continue to carry out core functions in registration, prospectus and offering memorandum review, continuous disclosure review, discretionary exemption applications and enforcement.
- With respect to compliance reviews:
  - Carry out compliance reviews of three Saskatchewan-based advisers;
  - Participate in CSA review of operations of IIROC; and
  - Participate in CSA review of a national adviser with operations in all jurisdictions.
- Review continuous disclosure material filed by five Saskatchewan-based public companies, selected according to the following criteria:
  - For TSX and TSX-V Tier 1 issuers – companies representing 25% of average market capitalization; and
  - For TSX-V Tier 2, NEX and unlisted issuers – 10% of the total number of issuers.
- Create a one-law and one-decision passport system for registration, by:
  - implementing National Instrument 31-103 *Registration Requirements*, and
  - implementing amendments to National Instrument 11-102 *Passport System*.
- Continue to oversee the IIROC and the Mutual Fund Dealers Association of Canada.
- Create a compliance program for Saskatchewan-based investment fund managers and exempt market dealers.
- Finalize the Enforcement Manual by including processes for specialized investigations into insider trading, market manipulation and improper use of exemptions.
- Manage regulatory risks by:
  - updating the risk assessment for the Enforcement Branch; and
  - establishing and implementing a plan to mitigate the key risks to the achievement of the Commission's statutory objectives where the Enforcement Branch is the primary control.
- Develop a staff notice on publication of personal information on our website.
- Develop changes to the fee schedule to implement the simplified and harmonized fee structure developed by the CSA.
- Develop amendments to *The Securities Act, 1988* to:
  - Provide for oversight of the Canadian Public Accounting Board;
  - Implement International Financial Reporting Standards;
  - Implement the point-of-sale model for mutual funds; and
  - Include regulation-making heads of power to implement regulation of credit rating agencies.
- Contribute to the development of national securities laws by participating in projects of the CSA, including:
  - developing National Instrument 55-104 *Insider Trading* to harmonize insider reporting requirements and exemptions;
  - amending existing national instruments, including: NI 41-101 *Prospectus Requirements*, NI 45-106 *Prospectus and Registration Exemptions*, and NI 51-102 *Continuous Disclosure Requirements*.

- Participate on various CSA Standing Committees that coordinate securities regulation in Canada.

- Document requirements and functionality of a new database for the Enforcement Branch.

2009-10 Results

- Continued to carry out core functions in registration, prospectus and offering memorandum review, continuous disclosure review, discretionary exemption applications and enforcement.

- With respect to compliance reviews:
  - carried out compliance reviews of three Saskatchewan-based advisers,
  - participated in CSA review of operations of IIROC, and
  - CSA review of a national adviser with operations in all jurisdictions was deferred.

- Completed full review of continuous disclosure material filed by four Saskatchewan-based public companies and issue-based review of eight Saskatchewan public companies.

- Created a one-law and one-decision passport system for registration by:
  - implementing National Instrument 31-103 *Registration Requirements;* and
  - implementing amendments to National Instrument 11-102 *Passport System.*

- Continued to oversee the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada.

- Creation of a compliance program for Saskatchewan-based investment fund managers and exempt market dealers was deferred.

- Began work on finalizing the Enforcement Manual.

- Work was begun on:
  - updating the risk assessment for the Enforcement Branch; and
  - establishing and implementing a plan to mitigate the key risks to the achievement of the Commission's statutory objectives where the Enforcement Branch is the primary control.

- Staff notice on publication of personal information on our website was deferred.

- CSA implemented a web-based program to calculate filing fees for all jurisdictions. CSA ended the project to implement a national simplified and harmonized fee schedule. Instead, Securities Division developed streamlining amendments to the Saskatchewan fee schedule.

- Developed amendments to *The Securities Act, 1988* to:
  - Provide for oversight of the Canadian Public Accounting Board;
  - Implement International Financial Reporting Standards;
  - Implement the point-of-sale model for mutual funds; and
  - Include regulation-making heads of power to implement regulation of credit rating agencies.

- Contributed to the development of national securities laws by participating in various CSA projects.

- Participated on various CSA Standing Committees that coordinate securities regulation in Canada.

- Implemented the Enforcement Reporting Database.

2010-11 Plans

- Continue to carry out core functions in registration, prospectus and offering memorandum review, continuous disclosure review, discretionary exemption applications and enforcement.

- Complete compliance reviews with respect to:
  - one branch of four scholarship plan dealers;
  - two Saskatchewan-based advisers; and
  - national marketing sweep of advisers – review material of Saskatchewan-based advisers.

- Work with the CSA Compliance Committee to develop a compliance program for investment fund managers and exempt market dealers.

- Do a continuous disclosure review of six Saskatchewan issuers.

- Update the risk assessment for the Enforcement Branch.

- Establish and implement a plan to mitigate harms where Enforcement Branch is the primary control.

- Implement policy on communication of enforcement information.

- Implement staff notice on publication of personal information on the website.

- Implement amendments to *The Securities Act, 1988* to:
  - Provide for oversight of the Canadian Public Accounting Board;
  - Reflect International Financial Reporting Standards;
  - Implement a point-of-sale model for mutual funds; and
  - Provide for regulation of credit rating agencies.

- Participate in CSA projects:
  - Amend and update current national instruments including:
    - National Instrument 41-101 *Prospectus Requirements;*
    - National Instrument 43-101 *Standards of Disclosure for Mineral Projects;*
    - NI 81-106 *Investment Fund Disclosure;*
    - NI 31-103 *Registration Requirements and Exemptions;* and
    - NI 45-106 *Prospectus and Registration Requirements.*
  - Finalize NI 25-101 *Designated Rating Organizations.*
  - Finalize NI 46-102 *Scholarship Plan Dealers.*
  - Publish for comment NI 51-105 *Regulating Issuers Quoted on the US OTC Markets.*
  - Modernize regulation of derivatives in Canada.
  - Review exemptions in Canadian securities law.
  - Renew CSA electronic filing systems including SEDAR and SEDI.
  - Implement protocols for inter-provincial investigations and enforcement actions.

- Serve on CSA Standing Committees.

- With respect to the Canadian Securities Regulator:
  - Review the draft Canadian Securities Act and provide comments;
  - Review the transition plan and provide comments; and
  - Respond to requests for information.

Securities Division Statistics to March 31, 2010

Activity	2009-10	2008-09	2007-08	2006-07	2005-06
Companies registered to sell securities at year end	392	345	348	358	300
Individuals registered to sell securities at year end	10,181	10,112	9,668	9,472	8,701
Reviewed and issued receipts for prospectuses of Saskatchewan issuers	6	6	15	7	7
Issued receipts for selling documents of non-Saskatchewan issuers reviewed in other jurisdictions	866	748	911	870	722
Reviewed and commented on offering memoranda filed by Saskatchewan issuers under N1 45-106	2	7	n/a	n/a	n/a
Continuous disclosure reviews of Saskatchewan issuers:					
• Full review	4	3	n/a	n/a	n/a
• Issue-oriented review	8	7	n/a	n/a	n/a
Continuous disclosure cease trading orders:					
• **Issued**	4	2	n/a	n/a	n/a
• **Revoked**	2	2	n/a	n/a	n/a
Received continuous disclosure documents for issuers:					
• Annual financial statements	4,348	4,320	4,276	5,087	3,086
• Interim financial statements	7,018	7,124	7,080	6,837	6,667
• Proxy/information circulars	4,382	3,610	4,127	3,516	3,212
• Material change reports	4,103	3,725	4,156	4,322	3,598
• Annual information forms	1,268	1,357	1,165	1,448	518
• Management Discussion and Analysis: - Annual - Interim	 1,388 3,989	 1,371 4,065	 1,412 4,123	 1,422 4,040	 735 4,000
• Annual management report of fund performance	2,962	3,013	2,822	3,692	772
• Certification of annual filings	1,471	1,446	1,494	1,455	633
• Certification of interim filings	4,001	4,092	4,127	4,026	3,804
Deal with applications for exemption:					
• Applications granted	205	202	535	599	595
• Applications withdrawn	31	129	133	141	90
• Applications denied	0	1	1	0	n/a
Investigate complaints and take enforcement action:					
• Files opened	146	148	158	143	97
• Files closed	155	173	139	144	126
• Obtained agreements and undertaking	12	1	2	4	2
• Conducted examinations under oath	37	9	1	0	22
• Held hearings	1	0	0	1	2
• Issued investigation orders	19	2	6	2	7
• Issued temporary cease trade orders	8	5	11	6	4
• Issued extending/permanent cease trade orders	9	5	11	6	7
• Issued orders removing exemptions	1	0	0	0	5

Performance Measures

In this section we report on our strategic success using performance measures developed within a balanced scorecard framework.

Balanced Scorecard Framework

Stakeholder	Operational / Internal
1. Client (those regulated) confidence in the SFSC and the financial marketplace	2. Number of regulated entities reviewed each year 3. Oversight of SROs (to be developed) 4. Initial response to complaints or inquiries made to Enforcement Branch within five days 5. Client service standards
People	**Financial**
6. Human resource management effectiveness 7. Participation in learning and development	8. Variance from budget

Client Service Standards

Securities Division:

- Approve or respond to applications for registration where SFSC is the principal regulator within 10 days on average.
- Provide initial comments within 10 business days of the date of the preliminary receipt issued for a long-form prospectus and within three business days of the date of the preliminary receipt issued for a short-form prospectus, where SFSC is the principal regulator.
- Acknowledge complaints to Enforcement Branch within two business days.

Pensions Division:

- Review actuarial valuations of non-designated pension plans within 45 calendar days.
- Review annual information returns within 25 calendar days.

Financial Institutions Division:

- Review an application and issue the licence or registration, or an initial comment letter within 30 business days, where the SFSC is the primary regulator, or within 15 business days, where the SFSC is not the primary regulator.

The table below reports on our success in achieving our performance objectives in 2009-10.

The measures (indicated by number only), and the client service standards reported on, are provided on page 19.

Performance in 2009-10

Measure	Data	Why Chosen	Target	Performance
#1	Client survey	Clients are stakeholders whose views regarding the effectiveness of regulation are important	>3.0 on a 5-point scale, indicating "Somewhat to Very Confident" rating	Average response of 3.1 in 2008 survey
#2	Number of entities directly regulated by SFSC Target number of entities to be reviewed (based on risk and other criteria)	If a reasonable number are reviewed, it serves as both an education and a deterrence to all regulated	100% of target	FID 88% Securities 100% Pensions 100%
#3	n/a	n/a	n/a	n/a
#4	Number of complaint files received by Enforcement Branch, time to make initial decision	Timely decision making indicates SFSC takes complaints seriously and contributes to timely enforcement action	100% of target	100%
#5	See client service standards - page 19	Timely response is an indicator that SFSC is providing good service to those regulated	100% of target	Securities • registrations 100% • prospectus 100% Pensions: • valuations 75% • annual information returns 99% FID - licensing 98%
#6	Employee survey	Human capital is SFSC's most valuable resource	90% or more of staff believe the SFSC is an average or above average place to work	2005 survey - 80%
#7	HR database	SFSC is committed to creating a learning environment for its employees	80% of employees	83% of employees participated in a learning event
#8	MIDAS	Managing within authorized amounts is an indicator of efficiency	Be within 10% of budget	25% under budget in 2009-10

Legislation

General

- *The Saskatchewan Financial Services Commission Act*
- *The Saskatchewan Financial Services Commission Assignment Regulations*

Financial Institutions

- *The Cost of Credit Disclosure Act, 2002*
- *The Credit Union Act, 1998*
- *The Credit Union Regulations, 1999*
- *The Credit Union Insurance Business Regulations*
- *The Credit Union Act, 1985*
- *The Credit Union Regulations*
- *The Mortgage Brokers Act*
- *The Mortgage Brokers Regulations*
- *The Real Estate Act*
- *The Real Estate Regulations*
- *The Saskatchewan Insurance Act*
- *The Saskatchewan Insurance Councils Regulations*
- *The Saskatchewan Insurance Compensation Plan Regulations, 1990*
- *The Saskatchewan Insurance Regulations, 2003*
- *The Trust and Loan Corporations Act, 1997*
- *The Trust and Loan Corporations Regulations, 1999*

Pensions

- *The Pensions Benefits Act, 1992*
- *The Pension Benefits Regulations, 1993*

Securities

- *The Securities Act, 1988*
- *The Securities Regulations*
- *The Securities Commission (Regulation Procedures) Regulations*
- *The Securities Commission (Disclosure of Personal Information) Regulations*
- *The Securities Commission (Adoption of National Instruments) Regulations*
- *The Securities Commission (Local Instruments) Regulations*

For More Information

This report provides information about our accomplishments and our future plans. If you have any questions or comments, or would like additional copies of the report, we invite you to call (306) 787-5645.

Or contact:

Saskatchewan Financial Services Commission
Suite 601 - 1919 Saskatchewan Drive
REGINA SK S4P 4H2

Or visit our website: **www.sfsc.gov.sk.ca**

Management's Responsibility for the Financial Statements

Saskatchewan Financial Services Commission Fund Report of Management For the nine-month period ended March 31, 2010

The accompanying financial statements are the responsibility of the management of the Saskatchewan Financial Services Commission. They have been prepared in accordance with Canadian generally accepted accounting principles for the public sector, using management's best estimates and judgments where appropriate.

Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies, and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The members of the Commission are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The financial statements and annual report have been reviewed and approved by the Commission.

The Office of the Provincial Auditor has audited the Saskatchewan Financial Services Commission's financial statements in accordance with Canadian generally accepted auditing standards and their report follows.

David Wild
Chair and Executive Director
July 20, 2010

Ian McIntosh CA
Deputy Director Corporate Finance
July 20, 2010

MINISTRY OF JUSTICE AND ATTORNEY GENERAL

SASKATCHEWAN FINANCIAL SERVICES COMMISSION FUND

FINANCIAL STATEMENTS

For the Nine-Month Period ended March 31, 2010

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Financial Services Commission Fund as at March 31, 2010 and the statements of operations, changes in net financial assets, and cash flows for the period from July 1, 2009 to March 31, 2010. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2010 and the results of its operations and its cash flows for the period from July 1, 2009 to March 31, 2010 in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 22, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

Statement 1

Ministry of Justice and Attorney General
Saskatchewan Financial Services Commission Fund
Statement of Financial Position
As at March 31

	2010
Financial assets	
Cash	$ 1,150
Due from General Revenue Fund (Note 4)	8,729,343
Accounts receivable	9,146
Total financial assets	8,739,639
Liabilities	
Accounts payable and accrued liabilities	307,048
Dividend payable to General Revenue Fund (Note 5)	6,859,153
Unearned revenue (Notes 2 and 10)	576,895
Total liabilities	7,743,096
Net financial assets (Statement 3)	996,543
Non-financial assets	-
Saskatchewan Financial Services Commission Fund (Statement 2)	$ 996,543

(See accompanying notes to the financial statements)

Statement 2

Ministry of Justice and Attorney General
Saskatchewan Financial Services Commission Fund
Statement of Operations
For the nine-month period ended March 31

	Budget 2010 (9 months) (Note 11)	Actual 2010 (9 months)
Revenue		
Revenue (Notes 2, 8 and 9)	$ 8,180,250	$ 10,533,779
Expenses		
Salaries	2,660,000	1,908,789
Travel	119,000	52,978
Contract services	86,000	283,614
Communications	23,000	4,391
Rent, supplies and services	627,000	374,848
Minor asset purchases	38,000	53,463
Total expenses	3,553,000	2,678,083
Surplus for the nine-month period (Statement 4)	$ 4,627,250	7,855,696
Dividend to General Revenue Fund (Note 5)		(6,859,153)
Saskatchewan Financial Services Commission Fund, beginning of period		-
Saskatchewan Financial Services Commission Fund, end of period (Statement 1)		$ 996,543

(See accompanying notes to the financial statements)

Statement 3

Ministry of Justice and Attorney General
Saskatchewan Financial Services Commission Fund
Statement of Changes in Net Financial Assets
For the nine-month period ended March 31

	2010 (9 months)
Surplus for the nine-month period	$ 7,855,696
Dividend to General Revenue Fund	(6,859,153)
Increase in net financial assets	996,543
Net financial assets, beginning of period	-
Net financial assets, end of period (Statement 1)	$ 996,543

(See accompanying notes to the financial statements)

Statement 4

Ministry of Justice and Attorney General
Saskatchewan Financial Services Commission Fund
Statement of Cash Flows
For the nine-month period ended March 31

	2010 (9 months)
Cash Flows From Operating Activities	
Surplus for the nine-month period	$ 7,855,696
Changes in non-cash working capital:	
Accounts receivable	(9,146)
Accounts payable	307,048
Unearned revenue	576,895
Cash provided by operating activities	8,730,493
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	$ 8,730,493
Cash and cash equivalents consists of:	
Cash	$ 1,150
Due from General Revenue Fund	8,729,343
	$ 8,730,493

(See accompanying notes to the financial statements)

Ministry of Justice and Attorney General
Saskatchewan Financial Services Commission Fund
Notes to the Financial Statements
For the Nine-Month Period ended March 31, 2010

1. Authority and Purpose

The Saskatchewan Financial Services Commission (SFSC) was established under the provisions of *The Saskatchewan Financial Services Commission Act* (the SFSC Act), proclaimed in force on February 1, 2003 and as amended by the Statutes of Saskatchewan, 2009, c.27.

SFSC protects consumer and public interests and supports economic well-being through responsive financial marketplace regulation. SFSC enhances consumer protection through licensing and registration, audit and compliance, market conduct, complaint handling, and enforcement activities pursuant to various provincial statutes.

SFSC has four divisions carrying out its mandate.

- Securities Division – protects investors by regulating the sale of securities, without undue restrictions, to ensure that those who sell securities to investors are honest and competent, investors are provided with selling documents that contain truthful, complete, and understandable information on which to base their investment decisions, buyers and sellers have equal access to information about companies trading in the secondary markets, and those who take undue advantage of investors are held to account.

- Financial Institutions Division – regulates and supervises Saskatchewan trust, loan and finance companies, insurance companies, loan and mortgage brokers and the credit union system. The division protects the public interest and enhances public confidence by encouraging sound and ethical business practices for insurers and financial institutions duly authorized to operate in Saskatchewan.

- Pensions Division – legislation administered by the Pensions Division protects employees' pensions. Standards are established with respect to the structure and administration of pension plans, as well as to the investment and ongoing funding of plans. The division identifies and manages risks and problems to bolster public confidence in the pension system, while allowing the market to develop to meet the retirement needs of Saskatchewan workers and employers.

- Payday Loans Division – regulates payday lenders to protect payday loan borrowers while allowing for a viable payday loan industry in Saskatchewan. The division protects payday loan borrowers by ensuring borrowers receive full, true and understandable disclosure on which to base their loan decisions, by ensuring payday lenders comply with prescribed limits with respect to loan amounts and loan fees and charges, and by ensuring payday lenders deal fairly with borrowers during the administration and collection of payday loans.

Self Operating Agency

SFSC became a self operating agency effective July 1, 2009, and as a result, became directly responsible to account for its operations. To facilitate this, SFSC Fund (the Fund) was established under Subsection 23.1 of the SFSC Act. All taxes, fees, moneys, fines, costs, penalties, assessments, and other charges payable pursuant to the administration of financial services legislation are deposited to the Fund. Under Subsection 23.5 of the SFSC Act, moneys in the Fund are used to pay salaries and administrative costs relating to the exercise of any powers of a financial regulator pursuant to any financial services legislation for which it is responsible.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants and reflect the following significant accounting principles:

(a) Revenue Recognition

(i) Fees and Other Sources of Revenue

Fees and other sources of revenue are recognized when received or receivable if the amount can be estimated and collection is reasonably assured, except as noted in (ii) below.

(ii) Unearned Revenue

The Saskatchewan Insurance Act license fees collected by the Financial Institutions Division are for five year licenses. The revenue from license fees that relate to future periods are recorded as unearned revenue, and recognized as revenue over the term of the license.

Fees received for Trust and Loan licenses and Mortgage Broker licenses are reported as revenue in the fiscal year in which the license is issued. Fees received in one fiscal period for licenses issued in the following fiscal period are treated as unearned revenue.

(b) Expenses

Expenses represent the cost of resources consumed during the period for operations.

(c) Use of Estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles appropriate for the public sector. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual amounts could differ from those estimates. Differences are reflected in the period when they are identified.

3. Financial Instruments

SFSC has financial instruments including due from and dividend payable to the General Revenue Fund (GRF), accounts receivable, and accounts payable and accrued liabilities. The carrying amount of these instruments approximates their fair value due to their short-term nature. These instruments have no material interest rate or credit risk.

4. Due from General Revenue Fund

SFSC bank account totaling $8,729,343 is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Interest earned on the balance attributed to the Fund is calculated and paid into the account using the Government's 30 day borrowing rate and the Fund's average daily bank account balance. For the nine months ended March 31, 2010, interest earned totalled $5,980. The Government's average 30 day borrowing rate in 2009-10 was 0.27%.

5. Dividend to General Revenue Fund

The Government directed the Commission to maintain the balance of the Fund at approximately $1,000,000, to be used for exercise of any powers given to SFSC by the SFSC Act or any other thing that SFSC considers necessary and in the public interest to perform its responsibilities.

The Government also directed that the Fund's surplus in excess of $1,000,000 be paid to the GRF as a dividend.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

The primary substantive related party transactions incurred by SFSC and reflected in these financial statements relate to rent expense ($320,998) paid to the Ministry of Government Services and contracted services expense for information technology equipment and support ($101,841) paid to the Ministry of Justice and Attorney General.

These financial statements do not reflect the costs incurred by a number of related parties on behalf of SFSC. During the nine months ended March 31, 2010, SFSC received substantial administrative services from the Ministry of Justice and Attorney General and the Ministry of Finance without charge. In addition, SFSC received substantial administrative services from the Public Service Commission relating to human resource matters and payroll processing, also without charge.

These financial statements reflect the salary costs of SFSC's employees, but do not reflect the costs of employee benefits incurred by the Province of Saskatchewan relating to those employees. These costs are paid by the Ministry of Finance.

7. Contractual Obligations

SFSC has a contractual obligation for premises. The current lease expires December 31, 2012. The future minimum lease payments, in each fiscal year, are as follows:

2010/11	$ 707,617
2011/12	$ 713,467
9 months 2012/13	$ 538,609

8. Segmented Disclosure

The following schedule provides the relevant segmented disclosure by division within SFSC:

	Nine months ended March 31, 2010		
Division	**Revenues**	**Expenses***	**Income/(Loss)**
Securities Division	$ 7,886,194	$1,216,012	$ 6,670,182
Financial Institutions Division	2,582,855	919,462	1,663,393
Pensions Division	58,750	222,348	(163,598)
Payday Loans Division	-	41,570	(41,570)
Chair's Office	5,980	278,691	(272,711)
Totals	**$10,533,779**	**$2,678,083**	**$ 7,855,696**

*Expenses relating to the operations of SFSC incurred by certain related parties are not reflected in these financial statements. Refer to Note 6 for additional details.

9. Revenue by category within each division

Primary sources of revenue by division for the nine months ended March 31, 2010 are as follows:

Securities Division

• Prospectus Fees	$ 3,324,350
• Registration Fees	3,369,935
• Exemption Fees	210,901
• Continuous Disclosure Filing Fees	757,100
• Administrative Penalties/Costs of Investigations	217,328
• Other	6,580
Total	7,886,194

Financial Institutions Division

• Unlicensed Insurance Fees	1,301,332
• Insurance Company Licenses	307,826
• Trust and Loan Licenses	856,277
• Mortgage Broker Licenses	41,720
• Other	75,700
Total	2,582,855

Pensions Division

• Pension Plan Registration and Annual Fees	58,750

Chair's Office

• Interest from GRF	5,980
Total revenue	$ 10,533,779

10. Unearned Revenue

Unearned revenue by revenue category is as follows:

Saskatchewan Insurance License Fees	$ 553,170
Trust and Loan License Fees	20,125
Mortgage Broker License Fees	3,600
Total	$ 576,895

11. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

12. Contingencies

SFSC, along with others, is a defendant to a claim brought against it as a result of its operations. SFSC believes that this claim is without merit. Settlement, if any, would be accounted for as a charge against operations in the period in which settlement is made.